

FACT BOOK
NUMBER FOUR



CUBAN
INVESTMENTS

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CUBAN INVESTMENTS

An Intimate Statement of Investment
Facts Existing in the Republic,
with some Comparisons
on Securities in the
United States.

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By the

Bankers' Loan & Securities Company

New Orleans

Louisiana

U. S. A.

CUBAN INVESTMENTS

THE investor of large or small amounts located in the United States today, occupies an eminent advantage over any period in the investment history of this country.

The securities of the world are today being absorbed in this country, as well as are the securities of our own country. As a matter of fact, a very small proportion of United States' investments is finding markets outside our home borders.

The reason for this is very evident when we stop to consider that higher rates of interest are procurable, owing to extraneous conditions brought about primarily by the war in Europe and the consequent elimination of physical values in European states.

The gold of the world, which represents the true credit value of the world, is being rapidly concentrated in the United States and on this basic value is being built up an immense balance of trade, which will remain unshaken for many years after the belligerents of Europe conclude to settle their differences and return to peace conditions.

During 1915, on account of the curtailment of imports, and the great increase of exports, as well as the stoppages of large expenditures by American travelers in Europe, there was the greatest trade balance in favor of this country that has ever been known in the history of our Commonwealth.

According to the Comptroller of the Currency, we had, at the close of 1915, \$2,312,000,000.00

gold specie on reserve in this country. To one who appreciates the immense credit power made available by such a vast sum of the precious metal, the condition becomes enormous. It is almost impossible to calculate the amount of credit that can be built up on this sum of gold held in our vaults.

Since the report of January 31, 1915, this reserve has been constantly increasing, and the credit of the country increasing proportionately, with the result that today loans are far easier in all banks and the borrowers with established credit and proper securities find lower rates of interest and easier accommodations than have existed during the past twenty years.

The following table illustrates the gold specie reserve of this country for the past ten years:

1906.....	\$1,587,000,000
1907.....	1,605,000,000
1908.....	1,653,000,000
1909.....	1,638,000,000
1910.....	1,709,000,000
1911.....	1,797,000,000
1912.....	1,878,000,000
1913.....	1,924,000,000
1914.....	1,815,000,000
1915.....	2,312,000,000

Generally speaking there are three classes of investment securities available in the United States at this time. These may be named as follows:

1st. Investments based on securities created by reason of the European struggle and including war loans to belligerent governments, and industrial investments commonly known as "War Brides."

2nd. Investments in securities based on internal enterprises, the profits of which are predicated on an increase of business, either directly or indirectly made possible by internal conditions, or the natural prosperity of this country.

3rd. Investments with securities of a more conservative nature than either of the foregoing and in no way based upon the direct results of conditions existing in Europe, but more particularly on the permanent development of the United States and neighboring countries not at war.

WAR TIME INVESTMENTS

The investors of the United States, have, within the past two years, loaned to European Governments approximately \$2,500,000,000. These loans have been made on the basis of higher rates of interest than governments have ever paid for accommodation in this country. We will assume, for the sake of argument, that when the peace treaty will have been signed, there will be no repudiation of these loans and that the investors holding such securities will continue to receive their interest without question and their principal as it falls due. The great trouble, however, under such conditions, as set forth in the papers by one of the best informed financiers of this country, is that "the conditions apparent at times necessary for borrowing money are not the conditions at the time necessary for repaying the debt." In other words, there is just the possibility that when the vast amount of Foreign Government obligations come due, these governments will find themselves in a position where they will have to refund these loans in order to protect interest, without hope of repaying the principal.

As a result of apparent conditions, the investors of this country have arrived at that stage in investment in European collaterals, where they find themselves unwilling to absorb much more of such securities and must look to other fields for the making profitable of their money holdings.

U. S. INDUSTRIAL INVESTMENTS

With the opening of the New York Stock Exchange, after several months inactivity, by reason of the upheaval in Europe, a new era in industrial investment was begun for the United States' investor. The activity of this period will go down in the history of this country as perhaps the most intensive of any in our investment experience.

Primarily, the anticipatory profits made possible by large purchases of munitions and supplies, was the cause of this activity.

Secondly, the vast increase in credit, made possible by our holdings of gold, and,

Thirdly, the incident development, which automatically became necessary in order to supply the great manufacturing and transportation demands put upon us.

Investments in this character of securities must necessarily, to a certain degree, parallel the history that will be written on governmental loans described above and a study of the securities market, will plainly demonstrate that the activity in this class of investment is slowly but gradually waning, because the holder of such securities is beginning to realize that there must come a day of reckoning when paper profits will serve no definite purpose.

As an illustration of this point, let us take the railroad securities of the United States and in a terse way analyze the situation, which comparison should form a basis for fair judgment on other industrial securities at the present time.

The railroad security market is in a chaotic condition. As an evidence of this, less new railroad mileage has been constructed in the last year than in any year since the Civil War.

The Federal Government has no power to prevent railroads from "Stock Watering" and unless some method is found to prevent railroads from over-capitalizing, these securities are bound to dwindle in value and be wrecked, as were the Chicago & Alton and many other roads. A member of the Interstate Commerce Commission recently said, "To-day, we are called in only after the horse is stolen. In order to be of any real service, we should have something to say about locking the barn door."

The Interstate Commerce Commission has charge of about eight hundred railroads, with a trackage of about 247,000 miles and a supervision over 1,695,000 employees.

Many of these railroads have one hundred or more subsidiary companies and each of these thousands of companies may issue securities under their own titles.

The Commission, if given proper powers to regulate the issuance of new securities, might possibly be able to prevent future bankruptcies such as the Rock Island and the New Haven, and yet have practically no control over the financial history of trunk lines twenty years hence.

As an illustration of this, let us take the history of the Boston & Maine Railroad. For several years the laws of Massachusetts have been very strict concerning the issuance of new securities. The Boston & Maine has long been under these

laws. Its stock, which is now selling at about \$40.00 a share, was issued at par, or above, under authority of the Massachusetts Railroad Commission; its bonds, now selling in the seventies, have this Commission's stamp of approval. The Commission required that the stock of its railroad companies be issued at par or above. Some of this Boston & Maine Stock, now selling so low, the Commission instructed should be sold to the public at not less than \$165.00 a share. The present day holders of this stock receive small protection on their investments.

Nor is the cause of this depreciation, the result of looting the treasury of the Boston & Maine. Greater dividends than were actually earned and the tendency to pay these dividends rather than to make necessary improvements on physical property, was the real cause of the Boston & Maine failure.

On the other hand, there are many railroads today that are fully worthy of the high praise given them. But a few years since, the same praise was bestowed on the Rock Island, the Chicago & Alton, The New Haven, the Cincinnati, Hamilton & Dayton, and the Boston & Maine. They were model roads, their securities were then of the highest grade, the officials were believed to be "careful, honest and long-headed." History may repeat itself.

As a result of these conditions illustrated in the railroad field, investors are naturally looking for more permanent forms of securities than those offered by "Industrials" which today may be highly profitable and tomorrow, by reason of changed conditions, be worthless.

SECURITIES THAT CANNOT DETERIORATE IN VALUE

Every one with money to invest, be the investment made by the individual, private corporation, Savings Bank, Trust Company, Insurance Company, Fraternal Organization, or others, should be interested first in the permanent security that will safeguard the investment, and second, in the profit to be derived from the investment.

Securities, having for their foundation overcapitalization certainly cannot meet the requirements of the sane and safe method of investment, regardless of what may be the promises for returns.

Behind the best securities known to the investment world lies a certain principle of the enhancement in value of the collateral as the holder of the securities receives back his investment and his compensation for the accommodation.

Any security that is based on overcapitalization must certainly be proportionately weak in those guarantees of repayment of principal which in themselves make the investment good or bad.

The first and most important of this class of securities are those, the principal of which is guaranteed by absolutely immovable and indestructible property, as for instance a productive farm, or a piece of city real estate, located in a thriving community where values cannot, under any reasonable conditions, deteriorate. In this class of securities the land will remain regardless of what may be the depreciation in improvements

and in the formation of such class of securities improvements should not be considered.

In the making of loans on farm property, it is customary to never lend more than fifty per cent of the actual land value, without regard to the improvements already made on the property. Under this system a first mortgage is taken on the property behind the loan, and the mortgage includes both the land and improvements. As partial payments are made on the principal of the loan, the security is enhanced since the mortgage continues to apply on full amount of the security.

As a result of the stability of this class of securities, the great investors of the United States have turned their attention to the investment of their funds in farm and city real estate mortgages.

As an illustration of this, over Three and One-Half Billions of Dollars have been invested in this class of securities in the United States, as shown by report of the Comptroller of the Currency, in June, 1914 (the latest figures available.)

14,512	State Banks.....	\$ 539,400,000
634	Mutual Savings Banks.....	1,897,600,000
1,466	Stock Savings Banks.....	478,900,000
1,064	Private Banks.....	26,600,000
1,564	Loan and Trust Companies.....	565,500,000

19,240	Banks and Trust Companies.....	\$3,508,000,000
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Add to this the sum of \$1,706,000,000 of mortgage loans held by life insurance companies in the United States, and we have the immense total of \$5,314,000,000 invested in mortgage loans by these two classes of institutions alone. Fraternal societies and thousands of private

investors will greatly add to the total. In addition to these, there are 7,525 National Banks now lending money on mortgage loans, which is another way of saying that the United States Government endorses this class of security.

So, it must be evident to the investor that the mortgage loan is a dependable security and one that has grown in popularity by reason of its reliability.

Briefly stated, the advantage of real estate mortgage loans may be summed up as follows:

They offer maximum security for money invested.

They return the greatest interest at regular periods.

They assure a steady value not subject to fluctuation.

They save valuable time by exemption from care and attention.

They increase bank credit, because they are excellent collateral.

Each dollar invested in mortgage loans is secured by two dollars' worth of high grade available-at-any-time improved real estate.

They give a security that cannot be diminished or destroyed.

They are not effected by violent changes in the bond and stock market.

They are tax exempt and no legislation can deprive them of their income or effect their security.

CUBAN FIRST MORTGAGE REAL ESTATE BONDS

A reading of the foregoing must impress the reader with the fact that first mortgage real estate bonds in the United States are good and safe investments.

A reading of the three books which accompany this, must impress the reader with the fact that the Republic of Cuba is destined to occupy a pre-eminent place in the agricultural history of the world—now occupies such a position.

One cannot read the things that have been written here, and which are substantiated by facts, without gaining an appreciation of the enormity of wealth that is now flowing into the Island, and will continue to develop those natural advantages made possible by nature, in soil, climate, geographical location and otherwise.

The Government of Cuba, under the administration of General Jose Miguel Gomez, realized the necessity for the up-building of real estate mortgage loan investments on the Island, and with this view in mind, took steps to create an institution that would be far more reaching in its effect than has the United States Government, as relating to this class of securities.

With this idea in mind, the Law of July 20, 1910, was promulgated.

Under this law was created an institution known as the "Banco Territorial de Cuba" (Cuba Mortgage Bank) which has for its main object, the making of first mortgage real estate loans under Government supervision and direction.

Under this law the Banco Territorial has the exclusive privilege of placing Cuban real estate loans into bonds for the purpose of giving them tangible and salable form under Government regulation and protection.

The following are main facts regarding this law and the concession, and a verbatim copy of the same will be supplied to any one interested in investigating this class of Cuban securities:

Excerpts from Law of July 20, 1910

*Office of the Secretary of Agriculture, Commerce
and Labor*

I, General Jose Miguel Gomez, Constitutional President of the Republic of Cuba—

MAKE KNOWN: That the Congress has passed, and I have sanctioned, the following * * *

LAW

The creation of a financial institution denominated "Banco Territorial de Cuba" is hereby authorized.

The capital stock of this Bank, fully paid in, shall be, at least, five million dollars official money (U. S. Gold).

It shall have the statutory right to issue, for a period of sixty years, obligations, warrants, or mortgage bonds based on loans to owners of real estate located in the Republic, secured by mortgage and redeemable at short or long term.

No other partnership, association, corporation or bank, shall be allowed to issue, as an intermediary financial institution, obligations, warrants or mortgage bonds during the sixty years the Banco Territorial de Cuba enjoys this exclusive

privilege, without prejudice, however, to such issues being permissible directly by debtors to their creditors, on their own account or through trustees.

The "Banco Territorial de Cuba" shall have its corporate domicile in the City of Havana; it shall establish branches at least in each of the capitals of the other Provinces, and shall, moreover, have the right to establish committees or representatives in foreign countries.

It shall be the special duty of an Official Comptroller, appointed by the President of the Republic, to observe that the provisions of this Law, of the Decree of Authorization, and of the By-Laws, approved by the Executive Power of the Republic, shall be complied with.

The business of the "Banco Territorial de Cuba" without prejudice to its right to invest its capital, in whole or in part, in other financial transactions, shall be:

To make loans on first mortgages on real estate, duly inscribed in the Registry of Property, up to an equivalent of not more than one-half of the appraised selling value thereof, the loans to be repayable throughout a long term by annual or semi-annual installments, or to be repayable in a short term with or without provision for amortization. Mortgages by the provisions of which prior inscribed liens on the property mortgaged to the Bank, are paid off, shall also be considered as first mortgages.

To acquire loans secured by existing mortgages, provided they comply with the conditions of this law.

To make loans to municipalities and official

corporations of the State, legally authorized to contract loans, and to the extent to which they are so authorized, even without mortgage, provided the loans be always secured as to principal and interest by the necessary permanent revenues of such bodies.

To acquire or discount government, provincial, municipal and corporate evidences of indebtedness provided that they are secured as set forth in the preceding paragraph. These transactions and those set forth in the preceding paragraph can only be made from the corporate capital, or by means of a special series of obligations, bonds or warrants.

To issue, by virtue of the transactions already enumerated, and up to the amounts which may have been loaned, obligations, warrants or mortgage or other bonds, redeemable on fixed dates or through drawings, at par or at a premium.

To negotiate the said obligations, warrants or mortgage bonds, and to loan or to open credit accounts on them.

Loans shall be made only when they are fully secured by mortgage on real estate of a value at least double the amount of the loan.

Should there exist prior liens duly inscribed on the property to be mortgaged, the loan shall only be made subject to there being withheld therefrom an amount sufficient to pay the principal and interest or charges of the said liens.

Loans can also be made in spite of existing prior liens, duly inscribed, provided the holders of the said prior liens waive their priority rights in legal form and due notation of such waiver is made in the Registry of Property.

The loans shall be made in cash and the rate of interest on the same shall not exceed seven (7%) per cent per annum.

These mortgage bonds may be issued in bearer or registered form, transferable by simple endorsement.

The total amount of such mortgage securities issued shall in no case exceed the aggregate of the corresponding mortgage loans.

They shall bear the signatures and rubrics of the Manager, the Cashier and the Official Comptroller appointed by the Government.

The obligations, warrants or mortgage bonds, whether registered or to bearer, shall have the legal force of public deeds upon which confirmed sentence in foreclosure proceedings has been rendered, for the purpose of claiming the payment of the principal and interest due from the Bank, by judicial compulsion.

These securities shall be specially guaranteed as to principal and interest by all personal or real properties constituting the assets of the Bank, as well as the real properties mortgaged under the loans made.

The party presenting obligations, warrants or mortgage bonds payable to bearer, or their coupons shall be recognized as the owner thereof.

METHOD OF AMORTIZATION

The Banco Territorial loans its money on first mortgages on improved city and country real estate; the revenue from the properties on which loans are made must exceed the interest charges and the proportional part of the principal which must be paid back yearly to the bank. By this plan of amortization the borrower has a series of years in which he can pay back the loan by installments so that at the time his loan is due he has paid the mortgage and the accrued interest.

This method makes it easier for the landholder to keep up his payments and avoids the great number of foreclosures which take place in the United States.

It is usually very difficult for a borrower to have the entire principal sum on a given date when the mortgage becomes due; by the amortization plan he starts paying back his principal by degrees, such payments being small.

If he applies to the Bank for a loan of say \$2,000.00 at 7% interest and 1% commission for ten years, a certain percentage is arrived at by tables prepared for that purpose, which gives the amount he must pay yearly, say \$326.97, in nine payments, so that at the end of the tenth year he will have paid back his loan with interest and commission, instead of having paid \$160.00 a year for interest and commission only, still finding himself with a debt of \$2,000.00, which he must pay in a lump sum or pass through foreclosure.

It is by this plan of amortization that all loans made by the Banco Territorial are gradually paid back, which gives the Bank further sums to

place advantageously on new mortgages, while with every payment made to the Bank the security against its loans *increases by double the amount paid*, the yearly decreasing unpaid balance remaining secured by the entire original mortgage until same is completely paid off.

At no time can there be outstanding more bonds than mortgages held by the Banco Territorial. It must invest its surplus funds in bonds of the Governments of Cuba, United States, France, England or Germany.

DESCRIPTION OF THE BANK

The Banco Territorial has a charter for 99 years from the Cuban Government for carrying on the business of loaning money on improved real estate, both city and country, to the extent of 50% of the assessed value of the same, and secured by absolute first mortgages, no prior liens being allowed.

The capital of the Bank is \$5,000,000.00 U. S. Gold, fully paid.

Besides its headquarters in Havana, this bank has thirty-five branches throughout the Republic.

THE BONDS AND THEIR SECURITY

The Cuban Mortgage Bank had placed on mortgages up to June 30, 1916:

On rural real estate.....	\$ 3,000,227.21
On urban real estate.....	3,069,072.89
On first mortgages purchased....	<u>67,532.45</u>

Making a total of..... 6,136,832.55

All secured by absolute first mortgages on improved real estate, the selling value of which is more than 16,500,000.00

And against which there were outstanding on the same date:

Series "A" 5% bonds
(40,000 bonds of
par value 500
Francs @ 96.16) \$3,846,400.00

Less drawn for re-
demption 57,888.32 3,788,511.68

Series "B" 6% bonds already sold 1,000,000.00

Making a total of..... 4,788,511.68

There are now offered the balance of the present issue of Series "B"
6% first mortgage bonds..... 3,000,000.00

Making the total outstanding
bonds 7,788,511.68

Which will be secured as follows:

Value of improved real estate
mortgaged to Bank on June 30,
1916, over..... 16,500,000.00

Minimum value of improved real estate, to be mortgaged under new loans made with the proceeds of present issue of Series "B" bonds (including mortgages made from cash proceeds now on hand from \$1,000,000.00 of bonds already sold and proceeds of \$3,000,000.00 bonds now offered), never less than, and as a rule well over double the amount loaned, about..... 8,000,000.00

Total value of property mortgaged and to be mortgaged..... 24,500,000.00

Or more than three times the amount of bonds outstanding, without taking into account the fact that the bonds are further secured by the entire assets of the Cuban Mortgage Bank, including its fully paid capital of \$5,000,000.00.

The fixed interest charges on the total amount of bonds will be:

5% on \$3,788,511.68 Series "A"	189,425.58
6% on \$4,000,000.00 Series "B"	240,000.00
Making a total of.....	429,425.58

While the amount due to the Bank representing the annual interest and commission on the first mortgages that secure and will secure these bonds will be over	938,000.00
Allowing for annual expenses...	<u>\$75,000.00</u>
(Those of the year 1915 were only \$60,310.11.)	
There still remains.....	863,000.00
Which is more than twice the total of all fixed charges.	

HOW TO PURCHASE BANCO TERRITORIAL BONDS

The "Banco Territorial de Cuba" realizing the vast funds available for investment in the United States, and having what may reasonably be considered a large quantity of gilt edge securities available, sought a medium through which to place these bonds in the hands of investors of large or small amounts in the United States.

Prior to the European War, France was the main market for these securities and some four millions of dollars were invested in them by French capital. Owing to conditions brought about by the war, naturally the demand for securities ceased and a new outlet had to be found that would continue to bring money into the Island for development purposes through the sale of these bonds.

In May, 1916, negotiations were begun between the "Banco Territorial de Cuba" and the Bankers' Loan & Securities Company of New Orleans, Louisiana, with the result that the Bankers' Loan & Securities Company was created fiscal agent for the United States for the sale of these securities.

Several weeks of investigation of conditions were made on the ground and every detail of the situation gone into, with the result that the Bankers' Loan & Securities Company now offers to the American investor these Banco Territorial bonds.

In presenting these bonds, the Bankers' Loan & Securities Company realized that it would be necessary, owing to the fact that the Republic of Cuba is somewhat removed from our own Domain,

to present in conjunction with these bonds, a most comprehensive statement of affairs in the Republic, hence the Company prepared the data presented in these four books, so that the prospective investor might at first hand have all the pertinent facts bearing on this subject.

The Bankers' Loan & Securities Company is capitalized at \$1,500,000 under the laws of Louisiana.

It is a going concern lending money, preferably on real estate and is officered and managed by men of long experience in the real estate mortgage business.

The Company publishes a semi-monthly bulletin, which details facts regarding its presentations to investors. This bulletin will be mailed without charge to those requesting same.

This Company is the largest of its kind in the South and one of the largest in the United States, and it could ill afford to offer any securities for sale to investors that did not comply with every demand of soundness.

In offering "Territorial" bonds to American investors we do so realizing fully that the investor will want to look carefully into their reliability, and we maintain a special department for the answering of inquiries to this end.

MONEY LEGISLATION IN CUBA

From Article by W. H. Morales

The Monetary Law of Cuba, as it stands, is a result of the European War, forming as it does part of the plan of national defense enacted by the Cuban Congress, and approved by President Menocal on October 29, 1914.

Such a sweeping measure of legislation became necessary to meet the falling off of exports by the European nations, and after providing for various forms of public economy, the law prescribes a national coinage, based on the single gold standard.

While a change from one money system to another is usually the result of slow evolution and wide preliminary discussion, there are cases where the public emergency needs immediate action. This occurred in Cuba in the Fall of 1914, when the unprecedented rise in the price of Spanish and French coins made it imperative for the Cuban legislature to authorize a national currency which would emancipate the country from a European system, costly and inadequate for local needs, and enable Cuba to buy gold and silver in the open market and coin them in the mints of the United States, which is provided in the same law.

The demand for money in Cuba has grown apace with the tremendous increase in her national wealth and industries. Her foreign commerce has doubled in the last ten years, and with a prospective sugar crop of 3,000,000 tons this season, as compared with 2,597,732 in 1914, representing an expected total of \$250,000,000 in comparison with only \$129,886,600 for the

previous year's record crop, it is evident that a monetary law to increase and normalize the circulating medium was necessary.

In adopting a national gold standard, at a mint parity with the American dollar, which is also made a legal tender under the same law, the country is afforded an ample currency. American metallic and paper money circulates to the exclusion of other foreign moneys, simplifying exchange operations and adding another link to the established close relations with the United States.

The first shipment, amounting to \$300,000 gold and \$431,000 silver, was delivered April 7, 1915, and was quickly absorbed.

MAIN PROVISIONS OF THE NEW LAW

The main provisions of the Monetary Law are as follows:

1. The unit of value is prescribed as a gold peso, of the same weight and fineness as the American dollar, namely, 1.6718 grams gross or 1.5046 grams of pure gold.

2. Gold, silver and nickel pieces are coined, of specified sizes and denominations.

3. Gold coinage is to be unlimited, and that of silver shall at no time exceed a total of \$12,000,000.

4. The silver coins are absolute tender for obligations not in excess of \$10.00 and to the extent of eight per cent of payments in excess of that amount. Nickel coins (that is, five-cent, two-cent and one-cent pieces) shall be legal tender to the extent of \$1.00 only.

5. United States currency shall be likewise a legal tender in payment of debts.

6. All foreign moneys, except United States currency, are to circulate only as "merchandise" under the law, but may be tendered in payments where so provided by agreement.

As the coinage law demonetised the Spanish gold dollar, a Spanish or French coin of 21.13 grains of pure gold, used solely in Cuba as a legal standard of computation for a century past, the President of Cuba, in order to define its continued use until supplanted by the national currency, issued Executive Decree No. 1006 of

1914, providing that Spanish and French gold coins in circulation shall continue to be estimated, as heretofore, at \$5.30, and \$4.24 Spanish gold for the alfonsino and luis, respectively. These coins were repatriated in two years by the Government in such a manner as not to affect the exchanges.

FINANCIAL STATEMENT OF THE REPUBLIC OF CUBA

Treasury Department

Receipts and Expenditures from July 1, 1915,
to June 30, 1916.

Balance June 30, 1915..... \$3,315,673.55

	Receipts	Expenditures
July 1915.....	\$ 4,252,173.39	\$ 5,112,284.47
Aug. 1915.....	4,509,069.90	3,581,634.45
Sept. 1915.....	4,283,884.69	4,903,994.73
Oct. 1915.....	6,511,991.64	4,861,402.82
Nov. 1915.....	4,278,176.33	5,876,739.15
Dec. 1915.....	4,639,045.36	3,906,462.35
Jan. 1916.....	6,764,804.13	5,793,315.98
Feb. 1916.....	8,608,497.26	7,824,191.25
Mar. 1916.....	9,672,743.89	9,365,355.44
Apr. 1916.....	8,205,545.27	8,521,795.41
May 1916.....	8,493,777.58	8,356,204.52
June 1916.....	6,217,263.94	5,175,662.30

TOTALS.....\$76,912,992.89 \$73,279,042.87

Balance.....\$3,157,930.31

Existing in Treasury and Banks, June 30, 1916.....\$6,473,603.86

FOREIGN NATIONAL DEBT OF CUBA

Loan of \$35,000,000.00 at 5%, dated March 11, 1904, due the 1st of March, 1944.

Issued Bonds (\$1,000.00 and \$500.00, par).....	\$35,000,000.00
Called to date.....	6,186,000.00
Outstanding.....	\$28,814,000.00

Internal 5% Debt of the 29th of August, 1905, undefined due date.

Issued 112,500 Bonds at \$100.00 par.....	\$11,250,000.00
Placed in circulation, 111,640 Bonds at \$100.00 par.	11,164,000.00
Called, 4,985 Bonds at \$100.00 par.....	498,500.00
Outstanding 106,655 Bonds at \$100.00 par.....	10,665,500.00

Loan of \$16,500,000.00 at 4½%, dated August 2, 1909, due August 1, 1940.

Issued Bonds.....	\$16,500,000.00
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None called as yet as amortization will begin in 1920.

Loan of \$10,000,000.00 at 5%, dated the 1st of February, 1914, due the 1st of February, 1949.

Total amount issued none called as yet as amortization does not begin until until 1920.

Treasury Notes, issue of \$5,000,000.00 at 6%, dated January 1, 1915, due June 30, 1918.

Issued 20,000 Bonds of the Series "A" of \$100.00 par.	
Issued 4,000 Bonds of the Series "B" of 500.00 par.	
Issued 1,000 Bonds of the Series "C" of 1,000.00 par.	
Placed in circulation 19,847 of the Series "A."	
Placed in circulation 3,001 of the Series "B."	
Placed in circulation 500 of the Series "C."	
Called, 1st drawing, 2,357 Bonds of the Series "A."	
Called, 1st drawing, 387 Bonds of the Series "B."	
Called, 1st drawing, 83 Bonds of the Series "C."	
Called, 2nd drawing, 2,909 Bonds of the Series "A."	
Called, 2nd drawing, 435 Bonds of the Series "B."	
Called, 2nd drawing, 69 Bonds of the Series "C."	

Remain outstanding in circulation	14,581 Bonds of the Series "A."
Remain outstanding in circulation	2,179 Bonds of the Series "B."
Remain outstanding in circulation	348 Bonds of the Series "C."

Havana, July 27, 1916.

Total Public Debt per Capita	{	\$68,875,100.00	—\$27.55
		Pop. 2,500,000.	

OFFICIAL QUOTATIONS OF THE HAVANA STOCK EXCHANGE

August 1, 1916

BONDS

Outstanding	Par	Interest %	BONDS	Bid	Asked
U. S. Gold \$35,000,000..	\$ 1,000	5	Rep of Cuba (Extern.).	101 $\frac{1}{8}$	103
	500				
U. S. Gold 10,871,000..	100	5	Rep. of Cuba (Intern.).	95 $\frac{3}{4}$	96 $\frac{1}{4}$
U. S. Gold 6,183,000..	100	6	City of Havana 1st mt.	105	107
U. S. Gold 2,655,000..	100	6	City of Havana 2d mt.	103	107 $\frac{1}{2}$
U. S. Gold 349,000..	1,000	8	Cienfuegos R.R. 1st mt	106	108
U. S. Gold 243,000..	1,000	7	Cienfuegos R.R. 2d mt	103	105
U. S. Gold 215,000..	1,000	7	Caibarien R.R. 1st mt.	103	105
U. S. Gold 130,000..	1,000	6	Gibara & Holguin R.R.		
			1st mortgage.....	95	100
U. S. Gold 4,000,000..	500	6	Havana Gas & Electric		
			Co. 1st mortgage...	112	125
U. S. Gold 8,972,561..	1,000	5	Havana Electric Ry.		
			1st mortgage.....	93 $\frac{1}{2}$	97 $\frac{1}{4}$
English £ 3,830,000..		5	United Rys. of Havana		
			Gen.mtg. (perpetual)	80	90
Francs 25,000,000..	500	5			
U. S. Gold 4,000,000..	100	6			
U. S. Gold 100,000..	100	6	Cuban Gas Co. 1st mt.	Nominal	.....
U. S. Gold 100,000..	500	8	Matanzas Wtr. Wks.,		
			2nd mortgage.....	100	110
U. S. Gold 150,000..	1,000	8	Central "Olimpo" Co.,		
			1st mortgage.....	100	110
U. S. Gold 200,000..	1,000	8	Central "Covadonga"		
			1st mortgage.....	100	110
U. S. Gold 1,500,000..	500	6	Santiago Elec. Light &		
			Trect. 1st mortgage..	90	100
U. S. Gold 6,000,000..	100	6	Hav. Gas & El. (Gen.		
			Con.) 1st mtg.	104	110
U. S. Gold 16,000,000..	1,000	4 $\frac{1}{2}$			
	500		Republic of Cuba.....	86 $\frac{1}{2}$	87
	100				
U. S. Gold 500,000..	500	6	Industrial Slaughter		
			House Co. 1st mtg..	75	80

BONDS—Continued

Outstanding	Par	Interest %	BONDS	Bid	Asked
U. S. Gold 5,012,569..	\$ 20 100 200 1,000	5 Cy	Cuban Tel. Co. 1st conv.....	80	81
Cy..... 700,000..	1,000		Ciego Avila Sug. Co..	90	100
Cy..... 2,000,000..	500		International Brewery Co. 1st mortgage...	85	90
U. S. Gold 100,000..	100		Agricultural Dev. Bk. guaranteed 1st mtg.	99	110

STOCKS

Capital Outstanding	Par	Shares	Bid	Asked
U. S. Gold \$ 7,272,727*..	\$100	Banco Espanol de la Isla de Cuba	100	102
U. S. Gold 320,000..	100	Agr. Bank of Pt. Principe.....	100	110
U. S. Gold 5,000,000..	100	National Bank of Cuba.....	170	180
English £ 4,760,000..	10£	United Rys. of Havana Regla W. House, Ltd.....	99½	99¾
Cy..... 1,500,000..	\$100	Santiago El. Lt. & Trac. Co..	20	55
English £ 600,000..	10£	Western R. R. of Havana.....	Nominal	.....
English £ 900,000..	10£	Cuba Cent. Ry. Ltd. (prefds.)..	Nominal	.....
English £ 900,000..	10£	Cuban Cent. Ry. Ltd. (com.)...	Nominal	.....
U. S. Gold 400,000..	\$100	Gabira & Holguin R. R.....	60	80
U. S. Gold 340,000..	100	Sancti Spiritus El. Lt. Co.....	Nominal	.....
U. S. Gold 625,000..	100	New Ice Factory Co.....	125	Sin
		(Palatino & Tropical Brwy.)		
U. S. Gold 200,000..	200	Havana Produce Exch., Pfd....	103	Sin
U. S. Gold 200,000..	200	Havana Produce Exch., Com....	105	Sin
U. S. Gold 15,000,000..	100	Hav. El. Ry. Lt. & P. Co., Pfd.....	107¾	108¼
U. S. Gold 15,000,000..	100	Hav. El. Ry. Lt. & P. Co., Com.....	101¼	101¾
U. S. Gold 150,000..	100	Matanzas Co.....	Nominal	.....
U. S. Gold 150,000..	100	Cuban Tannery Co.....	100	115
U. S. Gold 2,000,000..	100	Cuban Tel. Co. (Pfd.).....	99½	101¾
U. S. Gold 5,000,000..	100	Cuban Tel. Co. (Com.).....	94¾	95¼

*Equal to \$8,000,000 Spanish Gold.

STOCKS—Continued

Capital Outstanding	Par	Shares	Bid	Asked
U. S. Gold 300,000..	\$100	The Marianao Water and Development Co. in Circulation 153,000.....	Nominal	.....
U. S. Gold 1,000,000..	100	Industrial Slaughter House....	Nominal	.....
U. S. Gold 1,000,000..	100	Agr. Development Bank.....	Nominal	.....
U. S. Gold 5,000,000..	100	Banco Territorial de Cuba.....	80	120
U. S. Gold 5,000,000..	100			
U. S. Gold 500,000..	100	Cardenas City Water Wks. Co..	100	110
U. S. Gold 10,000,000..	100	Cuban Porto Co.....	10	20
U. S. Gold 120,000..	100	Marianao Elec. Lt. Co.....	100	110
U. S. Gold 500,000..	100	International Breweries (Pfd.)..	50	100
U. S. Gold 750,000..	100	International Breweries (Com.)..	18	40
U. S. Gold 250,000..	100	Industrial Co. of Cuba (Glass Factory).....	Nominal	.....
U. S. Gold 10,000,000..	100	The Cuba Railroad Co. Pfd....	95	97
U. S. Gold 5,000,000..	100	The Trust Co. of Cuba (in circulation \$500,000).....	150	160
U. S. Gold 2,400,000..	100	Cuba Navigation Co. (Pfd.)...	95	96
U. S. Gold 4,000,000..	100	Cuba Navigation Co. (Com.)...	74½	76
U. S. Gold 50,000,000..	100	Cuba Cane Sugar Corp. (Pfd.)..	94¾	95
U. S. Gold 50,000,000..	(Par.)	Cuba Cane Sugar Corp. (Com.)..	59¼	59½
U. S. Gold 1,200,000..	\$100	Ciego de Avila Sugar Co.....	110	140

All Quotations are in U. S. Gold.

UNITED STATES INVESTMENTS IN CUBA RUN INTO MANY MILLIONS

The confidence of capital has been fully expressed by large investments in Cuba and these investments are growing rapidly both in volume and returns to investors. Many and varied are the enterprises of Cuba created by American capital. Many citizens of the United States make their homes in Cuba and their private investments would probably exceed in gross capital the vast amounts that have been invested by United States Corporations of which we cite a few.

THE PORT OF HAVANA DOCKS COMPANY has already constructed and has in operation two large concrete and steel docks, either of which will berth the largest ocean going vessels. It is understood that contracts have been let for the early completion of two more docks of large capacity. Many millions of American capital have been invested in this enterprise.

CUBAN CANE SUGAR CORPORATION owns and operates 18 sugar estates in Cuba. Capacity of mills, 3,500,000 bags. Capital, \$50,000,000.00. The earnings of this company have been enormous.

CUBAN AMERICAN SUGAR COMPANY, Capital \$20,000,000.00. This company has had a large influence in the upbuilding of the sugar interests of Cuba and earned handsome profits for its stockholders.

HAVANA ELECTRIC RAILWAY, Capital Stock, \$15,000,000. The preferred stock dividend December 31, 1915, was \$899,993. Common stock dividend (same date), \$822,169.

AMERICAN TOBACCO INTERESTS have vast sums of money invested in Cuba. The largest tobacco company of the United States conducts a complete factory in Havana for the manufacture of high grade cigars.

AMERICAN PACKING INTERESTS. The largest meat packing concerns of the United States maintain establishments in Havana with branches in other cities of the Cuban Republic.

AMERICAN STEEL CORPORATION is heavily interested in the iron mines at Nipe Bay. Several million dollars are invested in this enterprise.

We will be pleased to supply information on any class of Cuban industries upon application.

BANKERS' LOAN & SECURITIES Co.,
New Orleans, La.

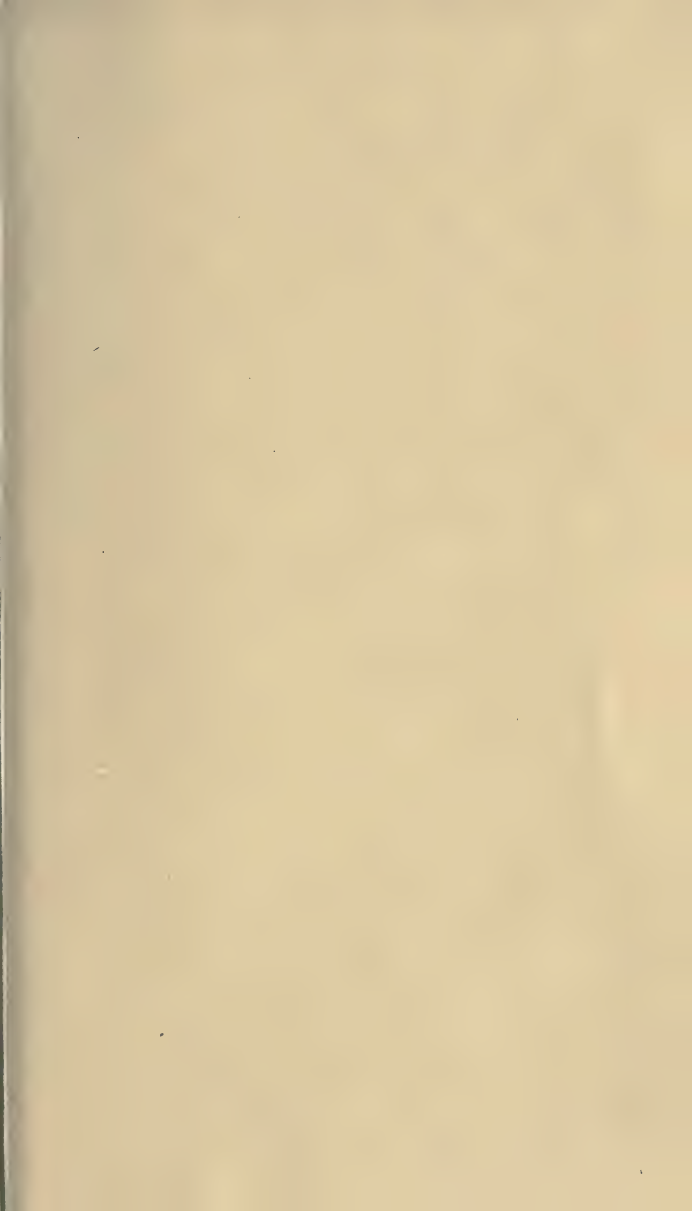
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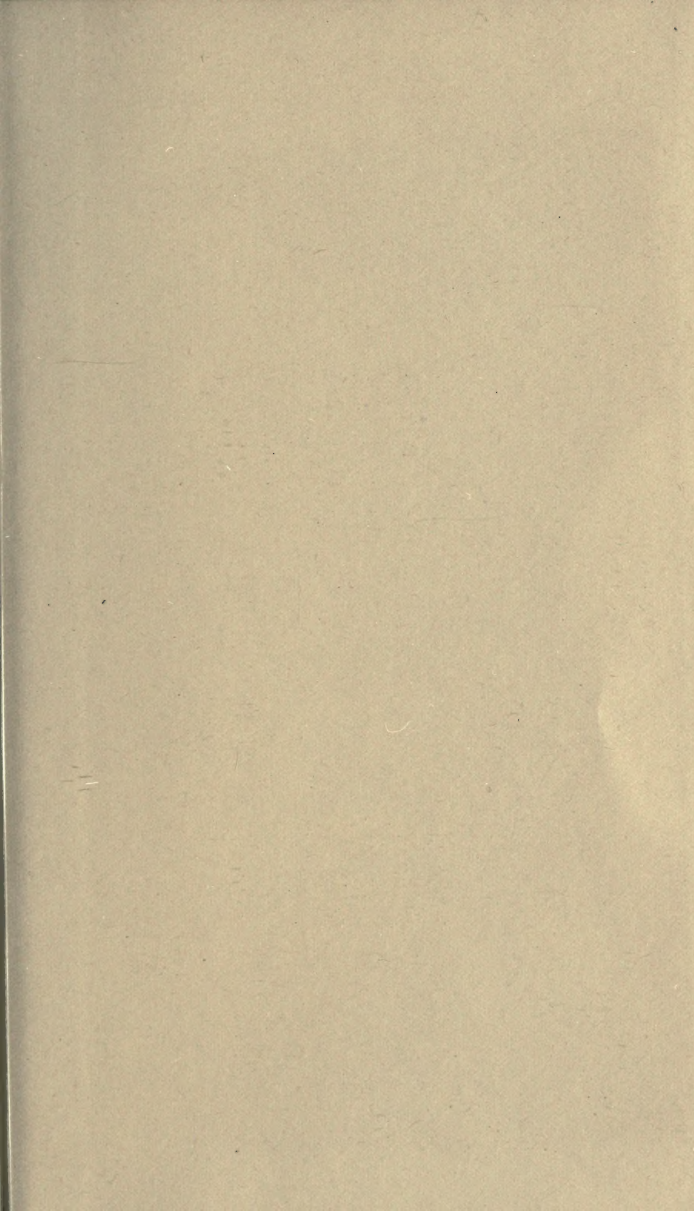
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